ORIGINAL RESEARCH PAPER

Law

A RESEARCH PAPER OF THE "AN ANALYTICAL STUDY OF THE DEEMED EXPORT

KEY WORDS: Deemed Export, GST, Custom Clearance

Ajaykumar Nandlalbhai Maheshwari — Ph.D. Research Scholar, Department of Law, KSKV Kutch University-Bhuj (Gujarat)

Dr. Samir A. Runja — Assistant Professor, Sheth D. L. Law College Bhuj-Kutch

ABSTRACT

To provide a level playing field to domestic manufacturers goods and services and to promote Make in India concept, in certain specified cases, as may be decided by the Government of India from time to time.

INTRODUCTION

"Deemed Exports" means export of goods and services which do not required to leave country, and payment for such supplies is received either in Indian rupees or in free foreign exchange. Supply of goods to export oriented unit (EOU), software technology park (STP), electronic hardware technology park (EHTP), biotechnology park (BTP), supply of good against advance authorization, advance authorization for annual requirement, supply of capital goods against EPCG authorization shall be regarded as "Deemed Exports" provided goods and services are manufactured in India.

"Deemed Exports" as per Goods and Services Taxes Act (GST) would include only the supplies notified under Section 147 of the CGST/SGST Act, on the recommendations of the GST Council. The benefits of GST and conditions applicable for such benefits would be as specified by the GST Council and as per relevant rules and notification.

Benefits for Deeded Exports

Deemed exports shall be eligible for any/all following benefits in respect of manufacture and supply of goods, qualifying as deemed exports, subject to terms and conditions as specified by competent authority from time to time.

(a) Advance Authorization/Advance Authorization for annual requirement/ Duty Free Import Authorisation (DFIA).
(b) Deemed Export Drawback.
(c) Refund of terminal excise duty for excisable goods mentioned in Schedule 4 of Central Excise Act, 1944 provided the supply is eligible under that category of deemed exports and there is so exemption.

Common Conditions for Deemed Export Benefit

In Deemed export Supplies shall be made directly to entities entitled for deemed exports. Third Party supply shall not be eligible for benefits/exemption.

In the scheme of Deemed export supply all the supply shall made to Projects/Agencies/Advance Authorisation (AA)/ Export Promotion of Capital Goods Holder (EPCG). Main contractors would be supplied by the sub contractors and main contractor will make payment to sub contractor and not by Project Authotity.

In deemed export supply, Supply of domestically manufactured goods by an Indian sub contractor to any Indian or foreign main contractor, directly at the designated project's/Agency's site, shall also be eligible for deemed export benefit subject to appearance of name of sub-contractor either originally or subsequently (but before the date of supply of such goods) in the main contract. In these types of cases payment shall be made directly to sub contractor by the project authority would be applicable.

Steel manufactures supplying steel against advance authorization through their service centers/distributors/ dealers/stock yards, shall also be eligible to claim duty drawback provided such supplies are made by accordance with Ministry of Steel O.M. No. S-21016/3/2020-TRADE-TAX-Part(1) dated 27.05.2020 read with O.M. Dated 24.06.2020, as amended from time to time. However, the invoice against such supplies would be raised by the manufacturer on the advance authorization holder. Delivery of such supplies can be made through their service centers/distributors /dealers/stock yards, who in turn will raise the tax invoice on the steel manufacturer bearing a cross reference for such supplies.

REFERENCES

(1) Foreign trade policy-2023